

Export promotion of natural ingredients in Vietnam UNCTAD/BTFP-SIPPO

Introduction

The BioTrade Facilitation Programme (UNCTAD) and the Swiss Import Promotion Programme SIPPO are carrying out a joint project with the following goals:

- Promote exports of food and pharmaceutical ingredients produced by Vietnamese companies to the European market.
- Guide selected Vietnamese companies in the implementation of tailor-made work plans in order to upgrade their production practices and to trade products derived from a sustainable use of biodiversity.
- Assist selected exporting or potential exporting companies in adapting their products to market requirements.
- Facilitate the formulation and implementation of a sector strategy on the national level in coordination with other related national activities.

In the first phase of the project, several companies have been assessed, pilot companies have been selected and some specific activities have been defined. In the second phase, the project will define individual work plans for selected companies and sector support will be initiated in collaboration with local counterparts. In future additional product groups and companies will be selected.

These are the Frequently Asked Questions (FAQ) of this joint programme, which could provide a general idea about the approach and possibilities of support.

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1. What is Biodiversity?

Biological diversity, or biodiversity, refers to the variety of life on earth, including the variety of plant and animal species, the genetic variability within each species, and the variety of different ecosystems¹ (e.g. a specific habitat like a forest or a patch of linked habitats in an agricultural environment).

Biodiversity is the source of many products and services utilised by society. Millions of rural people depend on biodiversity for food, medicines, income, ecosystem services and cultural, and spiritual needs. Currently, biodiversity provides essential inputs for diverse industries like agriculture, cosmetics, pharmaceuticals, pulp and paper, and waste treatment.

2. What is BioTrade?

UNCTAD defines BioTrade as those activities of collection/production, transformation, and commercialization of goods and services derived from native biodiversity (genetic resources, species and ecosystems), using criteria of environmental, social and economic sustainability.

¹ Definition adopted by the Convention of Biological Diversity [www.biodiv.org]

In this regard, special emphasis is given to:

1. the sustainable use of native biological resources;
2. the promotion of productive strategies and activities that support sustainable use and conservation in areas with high biodiversity value;
3. the generation and equitable sharing of economic benefits with local and indigenous communities.

Seven principles guide the implementation of BioTrade programmes and translate sustainable development goals in practical actions. Support is given to BioTrade initiatives to gradually comply with these principles and criteria. The following principles guide the BioTrade Initiative:

Principle 1: Conservation of biodiversity

Principle 2: Sustainable use of biodiversity

Principle 3: Equitable sharing of benefits derived from the use of biodiversity

Principle 4: Socio-economic sustainability (management, production and markets)

Principle 5: Compliance with national and international legislation and agreements

Principle 6: Respect for the rights of actors involved in BioTrade activities

Principle 7: Clarity about land tenure, use and access to natural resources and knowledge

In this context BioTrade companies are defined as business ventures in different stages of development headed by economic actors (communities, community-based associations, small and medium-sized enterprises, among others) that meet the BioTrade principles and criteria.

3. Why can BioTrade be interesting for your company?

World markets for products and services derived from biodiversity are expanding due to new scientific discoveries, the need of industries to recycle their products, and renewed interest by consumers in 'natural products'. Consumers also are more sensitive on how the products are produced and are ready to pay more for environmentally and socially friendly products.

At the same time, ecological problems are increasing all over the world, and countries that are rich in natural resources and biological diversity are witnessing high deforestation rates and obvious threats to biological diversity. This fact for a large part relates to poverty of the local populations.

BioTrade, in close collaboration with SIPPO and national counterparts can support your company in accessing new markets in Europe and strengthening value chains at the national level.

Your products will be more attractive to the market since the clients can be sure they don't threaten the diversity of plants, animals and ecosystems and benefit people in areas where the products are coming from.

At the same time BioTrade is also a possibility for your company to take part in the conservation of the very rich biodiversity in Vietnam and to the reduction of poverty in rural areas. Furthermore you can and secure long-term access to the natural resources on which the future of your company depends.

4. What is the UNCTAD BioTrade Initiative?

The BioTrade Initiative is UNCTAD's programme that supports sustainable development through trade and investment in biological resources in line with the three objectives of the

Convention on Biological Diversity². Through the establishment of partnerships with national, regional and international programmes it seeks to strengthen the capacity of developing countries to enhance the production of value-added products and services derived from biodiversity for both domestic and international markets.

In the case of Vietnam, the BioTrade Initiative would provide technical assistance through the BioTrade Facilitation Programme (BTFP). The BTFP is a programme that assists issues related to export promotion. International organisations such as the International Trade Centre (ITC), the Dutch Centre for the Promotion of Imports (CBI) and the Swiss Import Promotion Programme (SIPPO) are partners in the programme and make available their expertise to the BioTrade partners.

The BTFP carries out activities that are of general interest to trade such as market studies, development of general tools and the training of partners in such tools, as well as advocacy and lobbying (e.g. participation in discussions on certification, sustainable use, etc.). The principal focus of the BTFP is at the sector level, supporting partners to develop specific sectors of biodiversity products and services through a broad range of trade promotion tools. Partners are expected to undertake activities of a national character, and if necessary raise funds for such activities. The activities that the BTFP supports are complementary to national activities and mainly of an international character.

5. What is SIPPO?

SIPPO (Swiss Import Promotion Programme) is the import promotion programme under the patronage of *seco*, the State Secretariat for Economic Affairs of the Swiss government. SIPPO supports private businesses in emerging markets and markets in transition that are endeavouring to access the Swiss market as well as markets in the European Union. SIPPO's services for your company include:

- Business branch-related market information
- Information on market requirements, norms and standards, quality requirements, and certificates
- Advisory services for products and marketing
- Assistance in the participation at selected European trade fairs
- Direct contact with importers in Switzerland and Europe

At the same time, Swiss companies are informed about the requests for contact received from foreign companies and are given support in their search for new sourcing markets, products and cooperation partners.

The aim of this economic and trade promotion is to support emerging markets and markets in transition in their quest to integrate comprehensively into the global economy.

6. What support will the BioTrade Facilitation Programme provide in Vietnam?

The BTFP will establish partnerships with national organisations and institutions in Vietnam with the aim of enhancing the capacity of companies to produce value-added products and services derived from biodiversity as well as enable them to sustainably manage the natural resources these products are derived from.

² The Convention's objectives are the conservation of biological diversity; sustainable use of its components; and fair and equitable sharing of the benefits arising from the utilization of genetic resources.

In Vietnam, UNCTAD/BTFP will support the value chain of food and pharmaceutical ingredients in collaboration with SIPPO. The first step is the selection of companies with export potential and the development of specific work plans to promote exports of BioTrade products produced by these companies.

Specific technical assistance to selected companies could include:

- facilitate market access (e.g. trade fair participation, market studies, direct contacts with importers);
- provide advise on trade-related legal issues (e.g. intellectual property right, geographical indication schemes);
- provide advise on sustainable use practices (e.g. sustainable use protocols, management plans, certification);
- provide advise on product development and quality improvement (e.g. R&D partnerships, quality systems).
- leverage additional support from national and international partners

The BTFP in collaboration with national counterparts (e.g. Ministries, NGOs, Trade Promotion Organizations, national service providers, etc) will carry out a sector assessment for food and pharmaceutical ingredients. This includes a more thorough identification of opportunities, barriers, and existing institutional capacities.

Based on the sector assessment, national partners will design a sector strategy for the development of the trade potential of food and pharmaceutical ingredients. This strategy will also enable the partners to identify the additional services required from the BTFP in order to capture the trade potential of this group of products.

The sector strategies will be discussed with the national counterparts and will be focussed on complementary activities at the national level to see how their existing service portfolio can meet the needs identified by the beneficiaries. Experts can also be called upon to provide services. Finally, work-plans are elaborated, describing what services will be provided by which organisation in the context of the BTFP and existing national strategies.

7. What does my company have to do to participate in this programme?

The selection of companies is based on the compliance with BioTrade principles and criteria. These criteria are not a pre-requirement to participate in the programme, but the selected company has to be committed with the implementation of activities to implement those criteria.

In order to facilitate the access to the European market, experts of the BTFP and SIPPO will evaluate different areas of your company including your portfolio, production capacity, sustainability and social commitment. These experts will provide general recommendations for your company on the necessary steps to be ready to export to Europe, complying with the BioTrade criteria.

Based on this recommendations, the company will propose a work plan defining times and responsibilities that can be assumed by the company. The work plan will be discussed with the BTFP and SIPPO and specific activities will be defined for its implementation.

The company is responsible for the implementation of its work plan and will be supported by the BTFP and SIPPO in close collaboration with national service providers and other counterparts.